



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS

Internal Audit Section



FILE COPY

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Comptroller

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July 21, 2010

Tawanda Quintanilla, Accountant
St. Louis Children's Hospital
1 Children's Place
St. Louis, MO. 63110

RE: Ryan White Part A (Project #2010-DOH5)

Dear Ms. Quintanilla:

Enclosed is a report of our fiscal monitoring review of St. Louis Children's Hospital, a not-for-profit organization, Ryan White Part A Program, for the period of March 1, 2009 through September 30, 2009. The scope of a fiscal monitoring review is less than an audit, and as such, we do not express an opinion on the financial operations of St. Louis Children's Hospital. Fieldwork was completed on October 12, 2009.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and through an agreement with the City of St. Louis Department of Health (DOH) to provide fiscal monitoring to all federal grant subrecipients.

If you have any questions, please contact the Internal Audit Section at (314) 622-4723.

Sincerely,

Dr Kenneth M. Stone, CPA
Internal Audit Executive

Enclosure

cc: Joan McCray, Fiscal Manager, DOH
Amber Wagner, Grants Administrator, DOH



CITY OF ST. LOUIS

**DEPARTMENT OF HEALTH (DOH)
RYAN WHITE PART A**

**ST. LOUIS CHILDREN'S HOSPITAL
CONTRACT #HD-09-48
CFDA #93.914**

FISCAL MONITORING REVIEW

MARCH 1, 2009 THROUGH SEPTEMBER 30, 2009

PROJECT #2010-DOH5

DATE ISSUED: JULY 21, 2010

**Prepared by:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

**CITY OF ST. LOUIS
DEPARTMENT OF HEALTH AND HOSPITALS
RYAN WHITE PART A
ST. LOUIS CHILDREN'S HOSPITAL
FISCAL MONITORING REVIEW
MARCH 1, 2009 THROUGH SEPTEMBER 30, 2009**

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INTRODUCTION

Background

Contract Name: St. Louis Children's Hospital, Ryan White Part I

Contract Number: HD-09-48

CFDA Number: 93.914

Contract Period: March 1, 2009 through February 28, 2010

Contract Amount: \$56,000.00

The contract provided Ryan White Part A funds to St. Louis Children's Hospital (Agency) for case management services for Missouri residents living with human immunodeficiency virus (HIV) and/or acquired immunodeficiency syndrome (AIDS) within the St. Louis HIV region, which includes the counties of St. Louis City, St. Louis County, St. Charles, Jefferson, Franklin, Lincoln and Warren.

Purpose

The purpose of the review was to determine the Agency's compliance with federal, state and local Department of Health (DOH) requirements for the period March 1, 2009 through September 30, 2009, and make recommendations for improvements as considered necessary.

Scope and Methodology

Inquiries were made regarding the Agency's internal controls relating to the grant administered by DOH. Evidence was tested supporting the reports the Agency submitted to DOH and other procedures were performed as considered necessary. Fieldwork was completed on October 21, 2009.

Exit Conference

The Agency was offered the opportunity for an exit conference on June 29, 2010, but the Agency declined.

Management's Responses

Management's Responses to the observations and recommendations identified in the draft report were received from the Agency on July 7, 2010. These responses have been incorporated into this report.

SUMMARY OF OBSERVATIONS

Conclusion

The Agency did not fully comply with federal, state and local DOH requirements.

Status of Prior Observations

The Agency's most recent fiscal monitoring report, Project #2009-DOH8, issued May 7, 2009, contained no observations.

A-133 Status

The Agency is covered under BJC which spent more than \$500,000 in federal funds for the year ended December 31, 2008, thus an A-133 audit report was required.

The report was dated March 2, 2009 and rendered unqualified opinions on its financial statements and report issued on compliance for major programs. The report did not identify any material weaknesses or significant deficiencies on the financial statements and major programs.

The Agency did not have any audit findings disclosed that are required to be reported in accordance with section .510 (a) of OMB Circular A-133.

The Agency did not qualify as a low-risk auditee.

Summary of Current Observations

A recommendation was made for the following observation, which if implemented, could assist the Agency in complying with federal, state and local DOH requirements.

- Opportunity to file IRS 990 for year 2008

DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT'S RESPONSES

Opportunity To File IRS 990 For Year 2008

The Agency did not file its IRS Form 990 for its year ending December 31, 2008.

Not for profit 501(c)(3) organizations with annually gross receipts of \$25,000.00 or more are required to file an IRS Form 990 by 15th of the fifth month following the end of the fiscal / calendar year end. This form should be made available for public inspection for a period of three years.

The Agency did not have adequate internal controls in place to ensure proper completion and filing of the tax form.

The Agency could be fined \$20.00 per day, up to a maximum of \$10,000 per year. The Agency may also lose its tax-exempt status.

Recommendation

It is recommended the Agency file IRS 990 for 2008 and make it available for public inspection. It is also recommended that the Agency pay any applicable fines and/or penalties assessed.

Management's Responses

St. Louis Children's Hospital Foundation did file their Form 990 for the year ended December 31, 2008. As you noted, the Form 990 was filed late, but never-the-less, it was filed with the IRS.

As required by IRS, the St. Louis Children's Hospital Foundation Form 990 is made available for public inspection.

As witnessed by the letter from the IRS stating that our late filing penalties had been abated, and as a result, there are no fines / penalties that need to be paid.

Auditor's Response

The documentation provided by the Agency with the response has been reviewed, and it was concluded that this observation has been resolved; however, it is recommended that the Agency file all future IRS Forms in a timely manner.